Peter Mandelson

Peter Mandelson's back: the Prince of Darkness returns

All political careers may end in failure, but the UK's new ambassador to Washington, Peter Mandelson, isn't done yet

George Parker FEBRUARY 6 2025

Peter Mandelson is adamant: "I've always been *capable* of being diplomatic." Indeed, the Labour peer widely known as the Prince of Darkness, aka the Dark Lord, reveals that his sinuous skills have won the recognition of none other than President George W Bush. "Do you know what he calls me?" Mandelson asks. "Silvertongue."

All this is probably just as well, given that Mandelson has just been assigned to the most daunting job in British diplomacy: His Majesty King Charles III's ambassador to Washington DC. He is about to become the man charged with keeping alive Churchill's mystical "special relationship" in the era of Donald Trump.

Gliding through the Victorian splendour of the Foreign Office in London on a late January morning, Mandelson is preparing for his latest reincarnation in a remarkable career of triumphs, mishaps, resignations and comebacks. He was not the most obvious choice for the top job in British diplomacy. He has never been a diplomat, yet he is about to take on leadership of a team of 800 and the task of managing British relations with the erratic leader of the free world.

One Must-Read

This article was featured in the One Must-Read newsletter, where we recommend one remarkable story each weekday. Sign up for the newsletter <u>here</u> Nor are Trump and the new ambassador exactly a natural match. Mandelson, a freetrading, liberal, former EU commissioner with strong China links, last week withdrew his "ill-judged and wrong" assertion in 2019 that Trump was a "danger to the world" and "little short of a white nationalist and racist". Meanwhile Chris LaCivita, a Trump campaign adviser, described the new

ambassador as "an absolute moron" who should stay at home.

Mandelson accepts the scale of the challenge, but insists many of his most vocal critics are not speaking for the president. "Young minds ploughing their own furrow on a sea of too much inauguration alcohol," he purrs, a weak smile barely reaching his eyes. "Some around Mr Trump see me as they view many in Europe. They see me as a leftwing progressive, somebody who might even be anti-business or somebody who might be following the sort of liberalism they've just defeated in America. What they will discover is I'm not an uber-liberal, I'm not a wokey-cokey sort of person, and I'm

pro-market and pro-business."



Peter Mandelson has been chancellor at Manchester Metropolitan University for eight years © Eva Vermandel





Mandelson before giving his farewell speech at Manchester $\ensuremath{\mathbb{C}}$ Eva Vermandel

They will also come to know one of Britain's most admired and loathed political operators, picked by UK prime minister Sir Keir Starmer for his guile, expertise in world affairs and trade issues, and networking skills. His mission is to get in with the US president and stay there. Starmer wants Mandelson to persuade Trump to maintain the American security guarantee in Europe, build commercial ties and avert the threat of tariffs on British exports.

Starmer is taking a big risk in appointing Mandelson, a Labour grandee whose 40-

year political career has been punctuated by scandals, usually involving proximity to great wealth. Instead of opting for a solid career diplomat, he has chosen a politician who is a magnet for media attention. Mandelson insists he knows the rules of his new game: "My job is to stay below the radar, not on the radar."

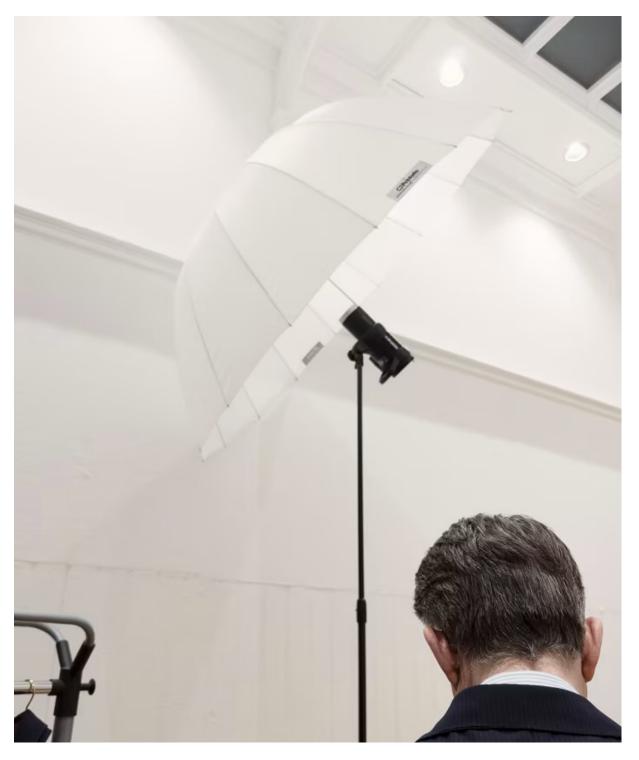
Mandelson may have spent a large part of his career operating in the shadows, but he also loves the limelight. Over the course of an exclusive interview with the FT on the eve of his departure to the US, beginning at the Foreign Office and taking in a farewell dinner at Manchester Metropolitan University, where he has been chancellor for eight years, he is a mix of intrigue and insights, mischief and mastery of the political dark arts.

But one question keeps recurring: can he serve his country from the sidelines and stay out of the headlines? Mandelson insists he can — that he has always proved his detractors wrong. "Aren't I the eternal comeback kid?"





Keir Starmer chose Mandelson for his 'experience and capability \ldots ' $\ensuremath{\mathbb{C}}$ Eva Vermandel





 \ldots while a former Trump aide has called him 'an absolute moron' ${\mathbb G}$ Eva Vermandel

Lord Mandelson is now 71 years old. And at times he has felt he would "really like to be a recluse", cocooned in his home in rural Wiltshire with his husband Reinaldo Avila da Silva and his two dogs, taking walks and working out with his personal trainer (another Keir). Sometimes he feels tired in the early evenings. He is busy in London during the week but then he longs to "return from whence I came and to the sheep and cattle of the Vale of Pewsey".

There's a twinkle in his eye as he delivers this Hardy-esque paean to English country life: the adjective "arch" was invented for him. The truth is that he has politics in his bloodstream and was never going to pass up the chance to take on the top diplomatic job, nor miss out on the comforts of the refurbished Lutyens ambassadorial residence at 3100 Massachusetts Avenue, or as he describes it, "a superb piece of architecture and diplomatic machinery, put at the service of British interests".

Mandelson says the Foreign Office feels like home. He first visited the grand Italianate building on King Charles Street as a child. Born in 1953 and raised in the genteel surrounds of Hampstead Garden Suburb in north London, Mandelson is the grandson of Herbert Morrison, a Labour cabinet minister and briefly foreign secretary in the Attlee government.

"I love the institution," he says. "I've been mixing with and working with British diplomats all my political life." There is no resentment in the diplomatic corps, he insists, about a politician getting the Washington job. "If anything, they think it's good for the Foreign Office, because it raises the profile and heft of both the post and the office generally. If they'd wanted someone completely anodyne, who wasn't going to be noticed in anything they said, they would have chosen someone else."

He was offered the Washington job before Christmas, while recovering in hospital from an operation on an aneurysm. The news was not conveyed by the prime minister but by Mandelson's closest ally in Downing Street, chief of staff Morgan McSweeney, a tough young Irishman who shares Mandelson's enthusiasm for wielding power behind the scenes and purging the Labour hard left. Asked whether McSweeney has done more than anyone else, including Starmer, in clawing the Labour party back from its leftwing former leader Jeremy Corbyn, Mandelson pauses. "I'd have to say yes. I think so highly of him."

Some around Mr Trump see me as they view many in Europe. What they will discover is I'm not an uber-liberal, I'm not a wokey-cokey sort of person McSweeney was also instrumental in persuading Starmer to give Mandelson the job, according to Downing Street insiders. The two men are ideological soulmates. Mandelson gave McSweeney, a former head of the private think-tank Labour Together, advice and backing behind the scenes during the party's wilderness years. Labour Together threw its weight behind Starmer in the 2020 party leadership contest as the candidate most likely to lead the way back to the electorally fertile centre ground. Once

installed as Starmer's chief adviser, McSweeney was determined to put a political heavy-hitter into the DC job, establishing a direct link between Downing Street and Trump's Washington.

Not everyone in the diplomatic world was happy. Dame Karen Pierce, the outgoing ambassador, wanted to stay in Washington, where she had established a reputation as "the Trump Whisperer", credited for smoothing relations between the US president and Starmer. "She did a great job," says one UK diplomat, noting how the flamboyant Pierce was embraced by the Trump team. "But it blew up in her face. She stabilised things so well that it cleared the way for a more political person to come in."

Some in the Foreign Office believe that criticism of Mandelson in Washington has come from people in the Trump world who feel loyal to Pierce and wished she had stayed on. "Karen courted people extremely well," the UK diplomat says.

For Mandelson, the new job is simply the latest in a series of unlikely events in a long career at the forefront of Labour politics. "I've been at Labour's side through two near-death experiences," he says, referring to the party's flirtation with hard-left policies such as unilateral nuclear disarmament under Michael Foot in the 1980s, and more recently under the anti-American Corbyn between 2015 and 2020. His skills as a master of political spin earned him the nickname "The Prince of Darkness". Does he understand why he is called that, I ask?

"Yes, I do," he says, with a faintly sinister smile. "I made a plan in the 1980s to make

Labour electable and re-electable. I stuck to that plan throughout. I want Labour to be an electorally successful, modern, centre-left, national party of government. If that takes skill, ingenuity, toughness and judgment, not always seen in the light, then so be it."

He went from shadowy schemer to a Labour MP in 1992, and entered government when Tony Blair became prime minister in 1997. Mandelson was an architect of that landslide victory. His ministerial career was shortlived, however, and was terminated for the first time by what became a recurring theme: his relationships with wealthy individuals.

He was forced to quit as a minister in 1998 after the disclosure of a secret £373,000 loan from a wealthy Labour colleague to buy a house. He resigned again in 2001, after being accused of helping one of the billionaire Hinduja brothers get a passport in return for a £1mn donation to the government's Millennium Dome project. He was later cleared by an inquiry.

A broken Mandelson curtailed his Westminster career and headed for Brussels in 2004, where he took on the EU trade commissioner role, clashing with China on commercial issues. It was during this time that President Bush dubbed him "Silvertongue" for his negotiating prowess, he says, although the US president never made good on his invitation to Mandelson to help him round up cattle on horseback at his Texas ranch.





Mandelson at the Foreign Office in London: 'Aren't I the eternal comeback kid?' © Eva Vermandel

In 2008, Gordon Brown invited Mandelson back into the cabinet at a surprise meeting in Downing Street to shore up the government during the financial crisis. It was a remarkable comeback, given that Brown's dislike of the Blairite was so well documented. "I haven't even got any spare socks or pants," was how the Brusselsbased Mandelson described events to the FT at the time. He was given a seat in the House of Lords and became de facto deputy prime minister.

It was in 1998 in California, confronted by Hewlett-Packard executives who wondered why they should invest in a Britain that had just been taken over by "communists", that Mandelson made his famous comment about New Labour's attitude to wealth. "We are not communists, we are New Labour," he told the gathering of corporate Americans. "We are intensely relaxed about people getting filthy rich as long as they pay their taxes." Today, Mandelson still stands by that statement, even though his critics conveniently remember only the "filthy rich" bit. He is drawn to money, just as the filthy rich are drawn inexorably to a man who oozes power, connections, influence and intrigue.

Sir Simon Fraser, former permanent secretary at the Foreign Office, argues that Mandelson, who made millions after co-founding Global Counsel, a political and strategic advisory firm, in 2010, is well equipped to work with the plutocrats in the Trump team, noting wryly in a BBC interview: "He's not averse to working with very rich people, as we know."

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I his easy association with the super-wealthy has been Mandelson's Achilles heel. In 2008, when he was EU trade commissioner, he was criticised when it was revealed that he had stayed on Russian aluminium tycoon Oleg Deripaska's 73-metre yacht off the coast of Corfu. At the time, Mandelson described the reports as "muckraking". Then there was his association with Jeffrey Epstein, the financier and sex offender who died in 2019. An internal JPMorgan report from 2019, filed to a New York court in 2023, said that "Jeffrey Epstein appears to maintain a particularly close relationship with Prince Andrew the Duke of York and Lord Peter Mandelson, a senior member of the British government".

We are on our way north, on a high-speed Avanti train, when I ask Mandelson about his relationship with Epstein. "I regret ever meeting him or being introduced to him by his partner Ghislaine Maxwell," he says. "I regret even more the hurt he caused to many young women." An icy chill descends in Carriage J. "I'm not going to go into this. It's an FT obsession and frankly you can all fuck off. OK?"

Mandelson is heading to Manchester to perform one of his last public duties in the UK before moving to Washington — handing over his robes as chancellor of Manchester Metropolitan University. Travelling first class ("Do you know, I'm so old I go half price?") his mood begins to improve as he brushes aside another potentially contentious element of his new role: his continued holding of shares in Global Counsel, a firm whose clients have included Shell and the bank Santander UK, as well as several China-linked companies including TikTok and the fast fashion company Shein, which was founded in China but is now based in Singapore. Shein has been exploring a listing in the UK but has faced allegations that minority Uyghur people are being used as forced labour in its supply chains. The company insists it complies with all laws of the countries in which it operates.

Mandelson, whose worldwide network of contacts is a key selling point for Global Counsel, stepped down as a director last summer but became president and chair of the group's international advisory board. He was the second-largest shareholder in Global Counsel with a 28 per cent stake as of June 2024, according to filings at UK Companies House. He says he intends to sell his shares in the firm, which was valued at £30mn last year when the Messina Group bought a 20 per cent stake. Colleagues say his stake is smaller now. "It's not BP we're talking about," he says. "It's a private company and you have to find a secondary buyer."

Downing Street says the peer has "made all relevant declarations" and that this would ensure that "steps are taken to avoid or mitigate any actual, potential or perceived conflicts of interest". Mandelson gives his own account: "There's not a conflict of interest because I won't allow one to arise," he says. "Lots of people will say whatever they like. It's a debating point." It's a debate that is likely to continue.

As the train rattles through Stoke, Mandelson receives a message from an unknown source confirming what he expected all along: rumours that Trump might block his credentials as UK ambassador were unfounded. "It would have been a shitstorm if that had happened," one British diplomat tells me. The Foreign Office confirmed that Washington has formally given its *agrément* for him to take up his role. Calls start lighting up the ambassador-designate's phone.

Mandelson has a simple plan for dealing with Trump's team. He says he will treat them "with respect, seriousness and understanding of where they are coming from politically. Politics is in turmoil. There's an often alienated and angry electorate which feels the system has let them down." He admits that supporters of globalisation, which has been a central tenet for Mandelson, had become complacent, as wages stagnated and inequality grew. "A number of politicians, President Trump included, are seen as an antidote to that."

Apart from Scott Bessent, the US Treasury secretary, Mandelson does not know the new Trump team, but hopes they come to see him as a "trusted backchannel". "I hope they take me at face value, test me and hopefully see that they can work with me as a good interlocutor between the US and UK... but also someone with sufficient knowledge of politics and the world to listen to and test ideas."

He has two official priorities for his time in Washington. The first involves persuading the Trump administration to maintain its security guarantee in Europe, including playing some role in securing any ceasefire agreed between Russia and Ukraine. "I think President Trump could be the most consequential president in my adult life, not just for what he might do for America but potentially an existential impact on Europe and its security. Maintaining America's security guarantee in Europe is of paramount importance to me."

The second is to ensure the US-UK relationship helps to boost economic growth — Starmer's "number one mission" — notably through greater co-operation in technology. "It would be disastrous if we in the west lost the advanced technology race with China," Mandelson said, adding that the US and UK are natural partners. The recent release by China's DeepSeek of a world-beating AI reasoning model illustrated what Mandelson sees as the urgency of this challenge. Avoiding any Trump tariffs on the UK is also an immediate issue. Mandelson describes goods trade between the UK and US as "balanced", but admits he does not know if that will be enough: "I don't think we'll be singled out as a target country, but if tariffs are imposed across the board, then we'll be caught."

He also insists that his knowledge of China will be a major advantage in discussions with the Trump team about future trade strategy, even if his links with Beijing are seen by some in Washington as suspect. "When I was in Brussels I was the first to initiate anti-subsidy action against China," he says. "I favour free trade, but none of us can be a soft touch."

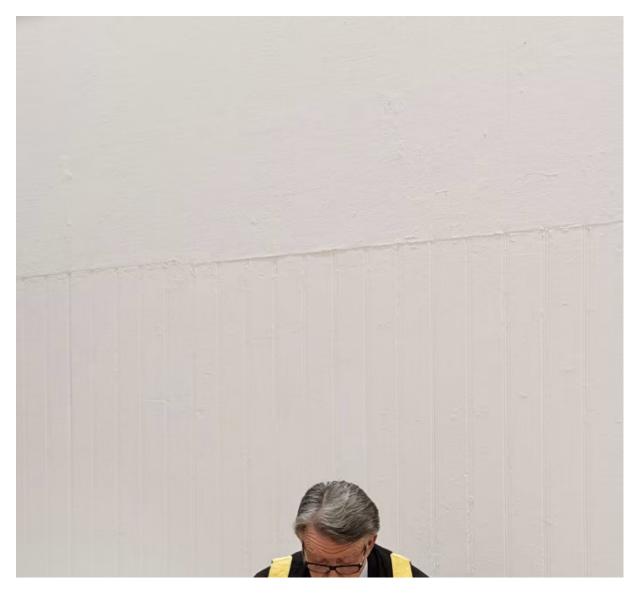
After leaving government in 2010, Mandelson continued to work closely with China, chairing for seven years the Great Britain China Centre, a non-departmental Foreign Office body devoted to building ties between the countries. "I've worked very hard to maintain my knowledge of China," he says. "I am in a good position to help both our countries chart a way through to meet the China challenge, engage with China but also to deter China wherever necessary."

He argues that he offers equally deep insights into the EU, though he strikes a decidedly downbeat tone about the broader outlook for a 27-member bloc mired in political crises and low growth. The US may be about to "turn into an industrial vacuum cleaner as they Hoover up investment from the other side of the Atlantic".





The adjective 'arch' was invented for Mandelson, aka the Dark Lord $\ensuremath{\mathbb{C}}$ Eva Vermandel





'I hope I survive in my next job for at least [four years]' he jokes $\ensuremath{\mathbb{C}}$ Eva Vermandel

In remarks that will chime with the Trump team, he adds: "I'm very worried about Europe. Primarily the problems of the EU are of its own making, regardless of who is in the White House. The most recent period has seen an acceleration, a gamut, of farreaching regulation, which they are now trying to blunt, reverse or reform."

Mandelson is a fervent pro-European and believes Brexit "inflicted the greatest damage on the country of anything in my lifetime", but, of late, he can see opportunities. Britain now has a chance to exploit the fact that it has moved out of the regulatory orbit of the EU: "We either sink or swim with Brexit and my determination is to do everything to make sure we swim," he says. "That will mean looking at any opportunities opening up as a result of Brexit . . . and it means in some respects eking out a living in the rest of the world by being not Europe." After leaving the EU's powerful trade bloc, Britain must swap "weight for nimbleness". Mandelson now says the EU model has turned businesses into "compliance machines". It's quite a change in tone from a man who fought a bitter, unsuccessful campaign to overturn the 2016 referendum result with a second poll, a so-called People's Vote.

Trump recently told reporters that he thought Starmer was doing "a very good job" and that he liked the British prime minister "a lot", raising hopes that UK-US relations may get off to a better start than some expected. "They don't have to have identical views to get along," notes Mandelson of the two leaders.

Britain's new ambassador has never been part of the Starmer inner circle. He did not help things before last year's general election by suggesting the Labour leader should "shed a few pounds". Wes Streeting, now Labour's health secretary, accused Mandelson of "fat shaming" and said the peer had himself been known to sport "the odd paunch". Reflecting on that with a smile, Mandelson says he sees himself now as "very much a loyal Starmtrooper, putting myself at the service of social democracy".

For his part, Starmer seems clear on Mandelson's qualities. Speaking to the FT in Kyiv in January, he said: "Peter brings a huge amount. Not just his huge knowledge of trade, which will be a hugely important issue. He has got incredible experience and capability and he'll do an excellent job."

Dealing with Trump promises to take up a great deal of the British government's time and attention for the next few years. Starmer is expected to travel to Washington soon, and thoughts in London are turning to the possibility of a second Trump state visit, along with the royal pomp that the president enjoys so much. "The royals are our greatest asset with Trump," says one British diplomat.

Downing Street is also weighing up the tricky question of who to deploy on the golf links with the US president when he inevitably visits one of his Scottish golf courses. "Richard Hermer has volunteered and says he's good," says one British official referring to the attorney-general, the epitome of a lefty, human rights lawyer. "We can't allow that to happen at any costs. Can you imagine him discussing the jurisdiction of the International Court of Justice with Trump?"

What about Mandelson's suggestion that the populist Reform UK leader Nigel Farage might be used as a "bridgehead" to the Trump administration, an idea that caused consternation in the Starmer camp? "Nigel Farage is part of the ecosystem around President Trump," Mandelson says. "He says he wants to help build a good relationship between the US and UK, and I take him at face value. But he's not going to be an envoy, official or unofficial." Privately, some UK diplomats think Farage's star is already waning with the president.

Neither does Mandelson want to start a slanging match with Elon Musk, the tech billionaire now installed in the Trump administration who has caused shockwaves in the UK with his comments about rape gangs, support for the far-right firebrand Tommy Robinson and claims that Starmer runs a "tyrannical" government that should be overthrown.

"I think he's a fascinating individual. I'm intrigued by him," Mandelson says of Musk. "Of course I'd be interested in getting to know him." Then, with a trademark stiletto jab, he adds: "I think he has picked out some points about Britain and Europe which have some validity, but he's joined the dots in a way to form an inaccurate picture of Britain."

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The train pulls into Manchester and Mandelson is whisked into a waiting car to the nearby university, where he is duly togged up in gown and mortar board to hand over the seals of office to his successor as chancellor, the former Barclays boss Antony Jenkins.

The grand occasion plays to all Mandelson's personal and professional strengths. His

speech drawing to a close his years as ceremonial head of the university drips with charm, self-mockery and a touch of the spirit of vengeance. He praises the staff and the students and jokes that although he had been given a medal for his service, "I never had a plaque to unveil". He reminds his audience that he tried and failed last year to become chancellor of his alma mater, Oxford university, in what he called "that forlorn election". "That's a university that looks to trade on its glorious past — actually, rather too much."

As the speech continues, Mandelson's press adviser is in a corner dealing with numerous calls about the confirmation of his new job. It has been a remarkable turn of events, except perhaps when you consider it in the context of the convulsions of Mandelson's career so far. He may make grand claims that he is about to disappear "below the radar". But that will surely fool nobody.

It is anybody's guess how Starmer's bold, or risky, ambassadorial appointment will turn out. On stage, even Mandelson himself seemed a little uncertain. Bringing down the curtain on his eight years of robe-wearing in Manchester and looking forward to life on Massachusetts Avenue, he allows himself a smile. "I hope I survive in my next job for at least half that period."

George Parker is the FT's political editor

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